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**Senate Republican Caucus Chair**

Committees: Financial Institutions, Housing and Insurance; Health and Long-Term Care;  
Ways and Means; Rules

**Jan. 23, 2009**

Dear Friends,

The second week of the 2008 session is coming to a close. This week was spent introducing legislation and participating in Senate hearings on some of those bills. This process will go on until early March, when Senate bills must be voted out of committees.

**E-mail formatting**

Last week some of you experienced a formatting problem with the e-mail I sent to you. Our technical staff believes this problem is the result of formatting changes that occur when the information goes from our server to other servers on the readers' end. In case this occurs with the e-mail you are reading, I have also attached a PDF of this document to this e-mail. If you experience problems viewing the text in this e-mail, please open the PDF and view the contents that way. I apologize for any confusion this may have caused.

**Property tax legislation**

Skyrocketing property taxes continues to be one of the primary concerns for people across the 12<sup>th</sup> District, especially in the Chelan area.

Over the past few sessions I have sponsored legislation that would have provided real and tangible property tax relief for property owners in our district. Although those bills did not pass, I am not giving up. This year I have again sponsored new property tax bills aimed at helping you deal with rising property taxes. All of these bills have bipartisan support. Here is a short summary of them:

- **Annual assessments.** [Senate Bill 5099](#) would require that assessors revalue property every year starting in the year 2014. The Department of Revenue is asked to provide guidance and financial help to county assessors to make this change. It also requires the DOR to administer a grant program to assist counties with the schedule change. *The Senate Ways and Means Committee will hear this measure at 1:30 p.m. on Wednesday, January 28.*
- **Another annual assessment bill.** [Senate Bill 5368](#) would require annual revaluation of property for property tax purposes and continue a \$5 fee on real estate transactions (currently set to expire in 2010) until 2013. Money from the fee is used for a grant program to help counties convert to the annual reassessment schedule. Sen. Prentice, the chair of the Senate Ways and Means Committee, asked me to co-sponsor this bill with

her. *This measure will be heard in the Senate Ways & Means Committee at 1:30 p.m. on Wednesday, January 28.*

- **Property tax reassessment “trigger.”** [Senate Bill 5425](#) would stop you from having to pay property tax bills for years on property that has dramatically declined in value. Under this bill, when overall property values in a county drop by more than 10 percent, the assessor must reassess them in the following year. *SB 5425 will also be heard at 1:30 p.m. in the Senate Ways & Means Committee on Wednesday, January 28.*
- **A Proposition 13 model for Washington.** [Senate Bill 5000](#) would apply California’s Proposition 13 in Washington. The measure would limit tax hikes on an individual property to 1 percent each year until it is sold. Because this act would require an amendment to Washington’s constitution, I also co-sponsored [Senate Joint Resolution 8200](#) to request the change. If passed by the Legislature, voters would also need to approve it before it goes into effect. This measure is introduced every year.
- **“True and fair” property value.** [Senate Bill 5472](#) would require that for real property owned prior to January 1, 2005, the true and fair value is the total assessed value as stated on the 2005 real property tax statement notice.

For real property acquired on or after January 1, 2005, the true and fair value is the price the seller and the buyer agree upon at the time of the sale. If the buyer and seller have agreed upon a price that is not representative of the true and fair value of the property, the assessor may challenge that price by hiring two independent state certified residential real estate appraisers to appraise the property.

For inherited real property taxation purposes, the true and fair value of the real property must continue to be the total assessed value as shown on the real property tax statement for the year of inheritance.

- **Property tax current use program.** Current law states that property removed from current use must pay seven years’ back taxes, interest at 12 percent a year on those taxes and a 20 percent penalty if two years’ notice is not provided prior to removal.

[Senate Bill 5424](#) bill makes two changes to the law:

1. Interest rate is lowered

The 12 percent interest rate operates as a de facto additional penalty. The bill proposes changing the rate to the short-term federal rate plus 2 percent. This is the same interest rate used in the low-income property tax deferral program.

2. No penalty if property is removed after 10 years in program

This was a suggestion of the county assessors. The principle being that the penalty is designated to address those who remove the property after a short time in current use. Those who have been in it a long time should not have to bear the burden of providing two years’ notice in order to avoid the penalty.

I will keep you updated on the progress of these bills as the session moves forward.

## **Time is money when it comes to the budget**

Following the November revenue forecast a number of my colleagues and I urged the Legislature to pass a pared-down, fiscally responsible supplemental budget for the remaining six months of

the current biennium. If we enacted ongoing savings of \$600 million now, it would save us \$2.4 billion in the 2009-11 budget. We urged action on this issue the first week of the session. With the second week of session over and no action yet taken, we now have less than six months left in our current budget and we are \$600 million in the hole (and growing). I will continue to call for passage of a supplemental 2007-09 budget right away.

### **Young drivers protected under proposed legislation**

Washington law requires young drivers who have an intermediate driver's license and are in an accident to be put on probation until they reach the age of 18. This occurs *even if the accident was not the fault of the young driver*. Several parents in our district have contacted me about changing the law to ensure that young drivers not be placed on probation if the accident was not their fault. [Senate Bill 5469](#), which has bipartisan support, would make this change.

### **Bill would help small businesses stay in business**

This week I introduced a bill aimed at helping small businesses keep their doors open and retain jobs. [Senate Bill 5362](#) would set Washington's minimum wage at its current \$8.55 an hour and eliminate the requirement that the rate be raised each year. On Jan. 1, Washington's minimum wage automatically rose from \$8.07 to \$8.55 an hour. This is the highest rate in the nation. Employers pay more than \$10 an hour per employee due to payment of state and federal taxes. Small businesses struggling to stay afloat and keep from cutting jobs during these tough economic times requested the bill.

Washington's minimum wage is a full \$2 more than the \$6.55 federal minimum wage (a rate that applies in states that don't set their own rate). U.S. Census data shows that less than 1 percent of workers over the age of 25 are earning the minimum wage. These workers tend to be young, single adults, teenagers living at home or individuals providing their households with a second income.

A number of media outlets interviewed me this week on this issue, including KIRO-TV in Seattle. Senate Bill 5362 has been referred to the Senate Labor, Commerce, and Consumer Protection Committee, and I am working hard to get a hearing on the bill.

### **Legislation would expand recreational use statute**

Those of you familiar with the Chelan Gorge area may know that it is popular with skilled kayakers who have given the area's waterfalls, cascades and chutes in the area names like "Punch Bowl," Pile Up" and "Double Slide." While these waters provide many hours of enjoyment and challenge to top-notch kayakers, the Chelan County Public Utility District faces potential liability associated with having people take such risks on their property.

This year I've sponsored [Senate Bill 5422](#) to give the PUD the same types of protections offered to landowners who allow rock climbing on their property. The bill would allow the PUD to keep the area open for these activities by amending the state's Recreational Use Statute to specify that hydroelectric project owners have liability protection under the law for kayaking, canoeing and rafting on lands under their control. It also would meet the requirement of the Federal Energy Regulatory Commission (FERC).

The bill had a hearing on Thursday in the Senate Committee on Natural Resources, Ocean and Recreation. I'll keep you apprised of its progress through the Legislature.

### **Local Transportation Project Update**

## SR 285 Senator George Sellar Bridge Projects

Next week the state Department of Transportation will advertise for private contractor bids on the first of three projects to reduce congestion in Wenatchee's south end. The first project adds another eastbound lane on the bridge and builds a new bicycle and pedestrian deck on the south side of the bridge. The bidding process will take about six weeks. Construction work should begin in May and will take two years to complete. The east and west end improvements follow in 2010 and 2011 and should be completed in 2012. When the work begins, expect the traffic lanes to be narrowed and the speed limit reduced. To reduce commute impacts, much of the work will be done at night, when traffic will likely be restricted to two lanes on the bridge deck and occasionally just one lane with flaggers. There will also be a few night-time total bridge closures.

### **In closing...**

Thank you for your continued interest in what's going on in Olympia. If there is anything my staff or I can do for you, please let us know. We are always happy to help.

Until next week,

*Linda*

**LINDA EVANS PARLETTE**

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